Misuse of VABAL

550. SHRI ABANI ROY; Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Government are aware that Value Based Advance Licencing Scheme (VABAL) introduced in the Exim Policy to help exporters have revealed widespread misuse of the scheme by exporters;

(b) if so, the details of the exporters who misused the said scheme;

(c) what were the lacunae in the scheme due to which the scheme has been misused; and

(d) the steps taken by Government to remove the lacunae in the scheme and to book the exporters?

THE MINISTER OF COMMERCE AND INDUSTRY (SHRI MURASOLI MARAN): (a) to (d) The Value Based Advance Licencing Scheme (VABAL), which was in operation during the Exim Policy period 1992—97 was misused by some unscrupulous elements by declaring incorrect values of exports and imports. The VABAL scheme has since been discontinued with effect from 1st April, 1997. Case-wise details of misuse are not centrally maintained. However, provisions exist in the Foreign Trade (Development & Regulation) Act, 1992, for taking penal action against the offenders. Detailed Enforcement Guidelines were issued in this regard by the Director General of Foreign Trade (DGFT) to the field formations in October, 1997, for dealing with cases of suspected misdeclaration of value to take the following action:

(i) Cancellation of licence; (ii) Imposition of fiscal penalty;
(iii) Cancellation of Importer-Exporter Code Number. Fixing
the floor price for imported Steel

551. SHRI K.R. MALKANI: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether it is a fact that at a time when world steel prices plunged below $200 Government fixed a floor price of $234 for imported steel (vide the Indian Express, 7th August, 1999);